

## **DRAFT MINUTES**

**LAFCO REGULAR MEETING**  
**Wednesday, March 12, 8:00 a.m.**  
**Planning Commission Hearing Room, Hall of Administration**  
**10 Civic Center Plaza, Santa Ana**

*(Any member of the public may request to speak on any agenda item at the time that item is being considered by the Commission.)*

**1. CALL TO ORDER**

**Chair Peter Herzog** called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 8:03 a.m.

**2. PLEDGE OF ALLEGIANCE**

**Commissioner Peter Herzog** led the pledge of allegiance.

**3. ROLL CALL**

The following commissioners and alternates were present:

- **Commissioner Randal Bressette**
- **Commissioner Peter Herzog**
- **Commissioner Arlene Schafer**
- **Commissioner Charles Smith**
- **Commissioner Thomas W. Wilson**
- **Commissioner John Withers**
- **Alternate Commissioner Robert Bouer**
- **Alternate Commissioner Rhonda McCune**
- **Alternate Commissioner Charley Wilson**

The following LAFCO staff members were present:

- General Counsel Clark Alsop
- Executive Officer Dana M. Smith
- Assistant Executive Officer Bob Aldrich
- Project Manager Ken Lee
- Policy Analyst Kim Koeppen
- Policy Analyst Carolyn Thomas
- Policy Analyst Jay Wong
- Executive Assistant/Commission Clerk Danielle Ball

**4. OATH OF OFFICE**

Commission Clerk Danielle Ball administered the oath of office to newly appointed **Commissioner Thomas W. Wilson**, selected by the Board of Supervisors to complete former **Commissioner Cynthia Coad's** term.

**Chair Schafer** adjourned for closed session at 8:08 a.m., stating that the Commission would reconvene to complete the Commission's regular business at 9 a.m.

**5. CLOSED SESSION**

**Public Employee Performance Evaluation**

Title: Executive Officer

**Conference with Labor Negotiators**

Agency designated representatives: Chair Schafer and Commissioners

Unrepresented Employee: Executive Officer

**Chair Schafer** reconvened the Commission meeting at 9:04 a.m. for the conclusion of the regular business items listed on the agenda.

**Commissioner Bressette** made a motion based on the Commission's annual performance evaluation of the Executive Officer completed in closed session.

Legal Counsel Alsop stated that the Commission met in closed session to discuss the items specified on the agenda regarding the Executive Officer's performance evaluation, adding that no reportable action was taken during the closed session. He said that the issue involving the labor negotiation was presently before the Commission.

**Chair Schafer** called for a motion.

**Commissioner Bressette** stated that, based on the information reviewed in closed session regarding the Executive Officer's duties, responsibilities, and performance of last year, he recommended a salary increase as discussed.

**MOTION:** Approve increase to Executive Officer's annual salary concurrent with her annual performance evaluation (Randal Bressette)

**SECOND:** Charles Smith

**FOR:** Randal Bressette, Peter Herzog, Rhonda McCune, Arlene Schafer, Charles Smith, John Withers

**AGAINST:** None

**ABSTAIN:** Thomas Wilson

**MOTION PASSED**

**6. APPROVAL OF MINUTES:**

a.) February 7, 2003 – Regular Commission Meeting

**MOTION:** Approve the February 7, 2003 minutes as presented without revisions (Peter Herzog)

**SECOND:** Randal Bressette

**FOR:** Randal Bressette, Peter Herzog, Rhonda McCune, Arlene Schafer, Charles Smith, John Withers

**AGAINST:** None

**ABSTAIN:** Thomas Wilson

**MOTION PASSED**

**7. PUBLIC COMMENT**

**Chair Schafer** requested public comments on any non-agenda item and received no response. She closed the public comment agenda item without any statements from the public.

**8. CONSENT CALENDAR**

None

**9. PUBLIC HEARING**

None

**10. COMMISSION DISCUSSION**

- a.) Update on the Protest Proceedings for the Center City Annexation to the City of Yorba Linda (CA 02-09)
- b.) Update on the Sphere of Influence Amendment and Annexation Applications for West Santa Ana Heights
- c.) LAFCO Business Report
- d.) Legislative Report
- e.) Consultant Contracts for Phase One of the LAFCO Municipal Service Review Program
- f.) LAFCO Salary Range Update

**10a.** Policy Analyst Kim Koeppen updated the Commission on the protest proceedings for the Center City Annexation to the City of Yorba Linda (CA 02-09). She stated that the Executive Officer convened a public hearing on February 24, 2003 to collect written protests from residents and property owners within the affected territories, adding that the hearing was continued to March 10, 2003 to provide ample time for the validation of each of the protests submitted. She said that the Registrar of Voter determined that there were sufficient valid signatures to have the matter determined by election. Ms. Koeppen stated that she sent a LAFCO resolution outlining the

protest findings to the City of Yorba Linda and that the city would determine an election for the protest in the coming weeks.

- 10b.** Assistant Executive Officer Aldrich presented before the Commission to provide an update regarding the sphere of influence amendment and annexation applications pending for West Santa Ana Heights (WSAH). He recapped the actions taken at the September 16, 2002 Commission meeting, reminding the commissioners that, of the thirteen applications submitted to LAFCO regarding the unincorporated island areas in the vicinity of the cities of Costa Mesa and Newport Beach, the Commission continued the two applications related to the area of WSAH for a period of six months. He summarized that one of the continued applications was submitted by the City of Costa Mesa requesting to annex the area of WSAH and that the residents of WSAH filed the other application requesting a sphere amendment to the City of Newport Beach.

Mr. Aldrich stated that the Newport Beach City Council recently expressed a formal interest in annexing the territory commonly referred to by LAFCO as "Area 7," which includes WSAH, the Santa Ana Country Club, and the residential and commercial areas south of Mesa Drive. He added that the city's interest was contingent on the city getting permission to take over redevelopment activities for Area 7 from the County. He said that the city council directed city staff to initiate discussions with the County and the redevelopment project area committee, adding that if the annexation was found to be feasible, the city would submit an application to LAFCO within the next six months.

Mr. Aldrich presented the two recommendations outlined in the staff report for the Commission's consideration, which included a six-month continuance of the two outstanding applications related to WSAH and a mandate to staff to provide bimonthly updates to the Commission related to the issue.

**Commissioner Bressette** moved staff recommendations, and **Commissioner Withers** seconded the motion.

**Chair Schafer** clarified the staff recommendations. Mr. Aldrich responded that it would be advantageous for the Commission to evaluate all applications related to Area 7 concurrently.

**Commissioner T. Wilson** promoted the idea of the Commission taking a very structured, cautious approach with this issue, thereby giving the Commission the opportunity to study all angles before rendering its decision and also fostering a collaborative approach between the Cities of Costa Mesa and Newport Beach.

Mr. Aldrich added that both cities support the six-month continuance.

**Chair Schafer** and **Commissioner Bouer** both commented about the contentiousness of issues related to the annexation of Area 7 and commended staff for its perseverance and continued follow-up.

**MOTION:** Continue consideration of the City of Costa Mesa's annexation application for WSAH and the resident-initiated application for SOI amendment for a period of six months; staff to provide bimonthly updates to the Commission (**Randal Bressette**)

**SECOND:** **John Withers**  
**FOR:** **Randal Bressette, Peter Herzog, Rhonda McCune, Arlene Schafer, Charles Smith, Thomas Wilson, John Withers**

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSED**

- 10c.** Executive Officer Smith referenced the attached quarterly business report and encouraged questions from the Commission.

**Commissioner Bressette** clarified the dates listed in Exhibit 1.

**Commissioner Herzog** noted that Policy Analyst Jay Wong, on loan to LAFCO from the County Executive Office, would soon return to his County post. He thanked the County for providing the assistance. He additionally praised Mr. Wong for his exemplary performance, his expertise, and his effectiveness, stating that Mr. Wong will be greatly missed.

**Chair Schafer** echoed **Chair Herzog's** sentiments on behalf of the entire Commission, thanking Mr. Wong for his tremendous contributions to LAFCO.

- 10d.** Project Manager Ken Lee presented an oral overview of his written report on new legislation of interest to LAFCO introduced in the new 2003-2004 two-year legislative session, including AB 192 re noncontiguous annexations, AB 208 re dissolutions of special districts, AB 838 re CC&Rs, SB 282 affecting only El Dorado LAFCO, SB 341 re the public cemetery district law, and SB 487 re special district annexations.

**Commissioner McCune** asked for clarification re the sponsor of bill AB 838. Mr. Lee replied that the City of Rancho Santa Margarita sponsored the bill.

Regarding AB 838, **Commissioner Herzog** commented there are also cities incorporated prior to 1999 that are dealing with public policy issues related to CC&Rs. He said that limiting the scope of the bill to affecting only cities incorporated after 1999 restricts a broader, statewide public policy discussion.

**Commissioner T. Wilson** exited the Commission meeting during **Commissioner Herzog's** comments.

**Commissioner Smith** asked if there was any coordination with CALAFCO regarding the recommended positions of support/non-support outlined in the legislative report. Mr. Lee responded that OCLAFCO remains integrally involved with CALAFCO, especially in legislative matters. He said that the positions recommended by staff are consistent with the positions adopted by the CALAFCO Executive Board and legislative committee.

**MOTION:**        **Receive legislative report and adopt recommended positions outlined in the staff report (Randal Bressette)**  
**SECOND:**       **Charles Smith**  
**FOR:**           **Randal Bressette, Peter Herzog, Rhonda McCune, Arlene Schafer, Charles Smith, John Withers**  
**AGAINST:**       **None**  
**ABSTAIN:**      **None**  
**MOTION PASSED**

- 10e.** Project Manager Lee summarized the roll-out of LAFCO's MSR Program, adding that staff met with the MSR committee twice in February to review and finalize the scope of work for Phase One as per the Commission's directive at the February 2003 meeting. He said that the MSR committee and staff recommended approval and execution of consultant contracts for Phase One with Moore Iacofano Goltsman, Inc. ("MIG") and The Keith Companies, Inc. ("TKC"). He additionally stated that the consultants were available to answer any questions that the Commission might have.

**Chair Schafer** stated that she had received a speaker card for item 10e.

Ed LaBahn, a resident of Dana Point, presented before the Commission, recommending that the Commission authorize an audit of past special district reorganizations occurring within the last five years. He also expressed concern regarding governance over watershed entities, particularly in South Orange County, and encouraged LAFCO's involvement in any way possible.

**Commissioner Withers** moved that the Commission approve both consultant contracts. He said that, having served on the MSR committee, he had the opportunity to work with staff and the consultants in developing a thorough scope of work. He said the committee remained mindful of the Commission's comments regarding the relevancy of the MSR Program and was optimistic that the defined scope would generate a wide range of useful data at the conclusion of the program. **Commissioner McCune** seconded the motion.

**Commissioner C. Wilson** reiterated **Commissioner Wither's** comments and added that the MSR committee specifically designed the scope of work to dovetail nicely into the unincorporated islands program.

**Commissioner Withers** invited the consultants to reintroduce themselves to the Commission.

Tim Kihm and Robert Reid presented from TKC and introduced Pat McLaughlin from MIG. They expressed their interest in moving into Phase One of the program and offered to answer any questions.

**MOTION:** Approve contracts for MIG and TKC for professional services related to Phase One of LAFCO's MSR Program (John Withers)  
**SECOND:** Rhonda McCune  
**FOR:** Randal Bressette, Peter Herzog, Rhonda McCune, Arlene Schafer, Charles Smith, John Withers  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**Commissioners Withers and Smith** left the Commission meeting.

- 10f.** Human resources consultant Mary Alcock summarized the methodology employed for gathering the background data and subsequent analysis. She presented the updated two-year salary ranges recommended by the personnel committee and summarized the related recommendations.

**MOTION:** Add Senior Project Manager classification to salary ranges; remove Executive Officer classification from salary ranges; adopt updated salary ranges for 2003-2004 (Randal Bressette)  
**SECOND:** Peter Herzog  
**FOR:** Randal Bressette, Peter Herzog, Rhonda McCune, Arlene Schafer, John Withers  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**11. COMMISSIONER COMMENTS**

**Chair Schafer** requested additional comments from the commissioners. Receiving no response, she closed commissioner comments.

**12. INFORMATIONAL ITEMS**  
None

**13. ADJOURNMENT**

**Chair Schafer** adjourned the meeting at 9:58 a.m.

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DANA M. SMITH  
Executive Officer  
Orange County Local Agency Formation Commission

By: \_\_\_\_\_  
Danielle M. Ball  
Commission Clerk